

November 27, 2007

The Honorable Michael N. Castle
1233 Longworth House Building
Washington D.C. 20515

RE: Medicaid Rehabilitation Services Option

Dear Congressman Castle:

I write on behalf of the State Council for Persons with Disabilities (SCPD) to inform you of an issue which could dramatically impact individuals with disabilities and their families. The Center for Medicare & Medicaid Services (CMS) published proposed regulations in August which include restrictions on the scope of "rehabilitation services" qualifying for federal Medicaid coverage.

There are several concerns with the new regulations. Delaware's Division of Medicaid and Medical Assistance (DMMA) submitted the attached comments which describe the negative regulatory impact on both children's and adult services.

For the Division of Developmental Disabilities Services (DDDS), the impact would also be substantial. DDDS funds day habilitation services through Medicaid as "rehabilitation" services. As discussed in the attached National Health Law Program (NHLF) article, CMS contends that since habilitation is designed to develop new abilities, it does not qualify as "rehabilitation" which focuses on restoring lost function. If finalized, the regulation would disallow Medicaid funding of DDDS day programs for hundreds of individuals.

There are ostensibly 20 states that bill "habilitation" services under the "rehabilitation" option. These states were successful in including language in the latest SCHIP bill to impose a 2 year moratorium on implementation of the CMS regulation. However, it is likely to be vetoed.

SCPD wanted to inform you of the potential damaging impact of this regulation in Delaware. Thank you for your consideration.

Sincerely,

Daniese McMullin-Powell, Chair
State Council for Persons with Disabilities

Cc: DeIARF
Developmental Disabilities Council
Governor's Advisory Council for Exceptional Citizens

P&I/cms rehab option 11-07

